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TAGS: ETTC PREL ENRG EPET NL CH IR

SUBJECT: ILSA: CHINA: MFA SAYS NO OIL DEAL IN THE WORKS

REF: STATE 47688

Classified By: Acting Political Unit Chief

Robert Griffiths. Reasons 1.4 (b/d).

¶1. (C) China understands the United States' concerns about sending the "wrong signal" to Iran and is well aware of its obligations under UN resolutions, stated MFA West Asia and North Africa Affairs Acting Director for Iran Xu Wei. During an April 12 meeting, Xu said China's representative to the Natural Gas Producers' Conference in Qatar confirmed that Iran's Oil Minister Vaziri-Hamaneh made a press statement claiming an imminent deal between Iran and Sinopec on the Yadavaran oil field. Xu said he personally believes that the press announcement was an attempt to bolster domestic confidence in Iran in the face of looming sanctions because according to his contact at Sinopec, no deal is in the offing. Sinopec is not preparing to sign an MOU or a contract on the oilfield, Xu stated, pointing out on-going disputes over liquefied natural gas pricing. At the end of the meeting, Xu reiterated that China is a rapidly developing country that needs access to energy resources and insisted that China's pursuit of oil and gas is done in a transparent manner and without causing harm to other countries.

¶2. (C) NDRC Energy Bureau (NDRC/EB) officials are currently unavailable to discuss Reftel points, stated The National Development and Reform Commission's (NDRC) Department of Foreign Affairs Director for American and Oceania Affairs Gu Jun. Gu told econoff that senior NDRC/EB officials are accompanying Chinese Premier Wen during his talks with Tokyo.

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